

THE COUNCIL OF THE CITY OF NEW YORK

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Report to the Committee on Finance and the Committee on Cultural Affairs, Libraries,
International Intergroup Relations on the Fiscal 2019 Executive Budget for

Libraries

May 18, 2018

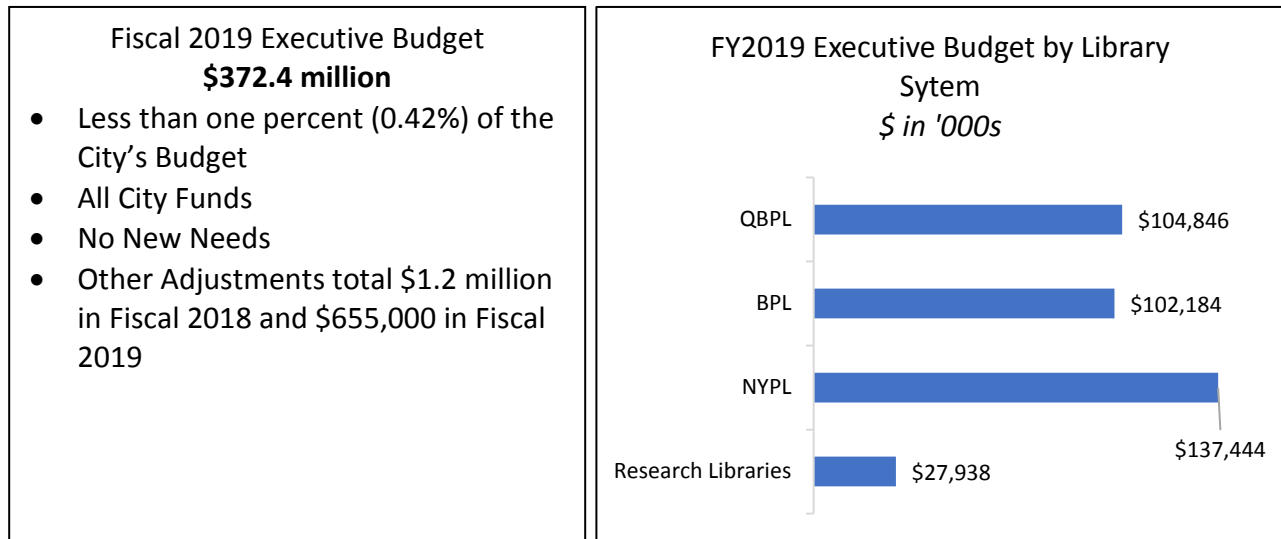
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Libraries Executive Budget Overview



Major Agency Issues

Capital Commitment Rate

- The library systems have a very low capital commitment rate. In Fiscal 2017, the Library systems committed \$18.5 million or 4.3 percent of their annual capital plan of \$433.6 million.
- Majority of Libraries capital projects are managed by the Department of Design and Construction (DDC). The progress and issues surrounding capital projects is an ongoing discussion between the Council, DDC, and the Library Systems.

Capital Budget: Fiscal 2018 – Fiscal 2022

- \$229.5 million in Fiscal 2019-2022 in Executive Capital Budget
- \$1 billion in appropriations
- \$259.4 million in planned commitments
- 1.5 percent of the City’s total \$82 billion Executive Commitment Plan
- \$1.15 billion in Fiscal 2018-2022 Executive Commitment Plan
- \$3.7 million larger than Preliminary Commitment Plan
- 31 Budget Lines
- 895 Project IDs

Council’s 2019 Budget Response

Expense

- The Council had asked the Administration to include \$16 million in operating expenses for the City’s library systems. The cost of providing six-day services has increased and substantial funding is needed to sustain operation and ensure the libraries continue to provide vital programs to the patrons and the communities.
- This funding was not reflected in the Executive Budget.

Capital

- The Council urged the Administration to add an additional \$60 million in unrestricted capital funding split equally between the three library systems. The \$60 million additional funding in Fiscal 2019 would allow the systems to address their most critical capital needs, including failing infrastructure and equipment that has long exceeded its useful life.
- This additional funding was not reflected in the Executive Budget.

Libraries Overview

This report presents a review of the Libraries' Fiscal 2019 Executive Budget. The section below presents an overview of the budget that reviews the changes during the course of Fiscal 2018 followed by a review of the significant budget actions introduced in the Fiscal 2019 Executive Budget. Major issues related to the Libraries' budget are then discussed in the report. Analysis and highlights of Libraries' Capital Strategy and Fiscal 2018 to Fiscal 2022 Plan follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2018 and Fiscal 2019 Budgets since Adoption of the Fiscal 2018 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2019 Preliminary Budget Report at <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Libraries.pdf>

Below is a summary of key funding changes by program area and source when comparing the Libraries' Fiscal 2019 Executive Budget to their Fiscal 2018 Adopted Budget.

Libraries Financial Summary						
<i>Dollars in Thousands</i>						
	FY16	FY17	FY18	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Budget By Program Area						
Research Libraries	\$26,737	\$27,783	\$28,043	\$27,988	\$27,938	(\$105)
New York Public Library (NYPL)	133,792	138,032	137,698	138,981	137,444	(254)
Brooklyn Public Library (BPL)	102,041	103,745	102,412	104,911	102,184	(227)
Queens Borough Public Library (QBPL)	101,696	105,159	104,548	107,048	104,846	299
TOTAL	\$364,266	\$374,719	\$372,700	\$378,928	\$372,413	(\$287)
Funding						
City Funds			\$372,700	\$374,678	\$372,413	(\$287)
Intra City			0	4,250	0	0
TOTAL	\$364,266	\$374,719	\$372,700	\$378,928	\$372,413	(\$287)

**The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Executive Budget.*

For the Fiscal 2019 Executive Budget, the Administration is proposing a \$372.4 million subsidy for the systems, which represents a decrease of \$287,000 or less than one percent, when compared to the Fiscal 2018 Adopted Budget of \$372.7 million. In the Fiscal 2019 Executive Budget, there are no new needs and other adjustments total \$1.2 million in Fiscal 2018 and \$655,000 in Fiscal 2019. Highlighted other adjustments are described below.

ExCEL Program. The Fiscal 2019 Executive Plan includes an increase of \$95,000 for BPL and a decrease of \$380,000 for QBPL in Fiscal 2018 for DCAS' ExCEL (Expense for Conservation and Efficiency Leadership) Program. This program uses PlaNYC expense funding for energy conservation initiatives such as LED lighting upgrades, development of HVAC design standards and cooling system designs.

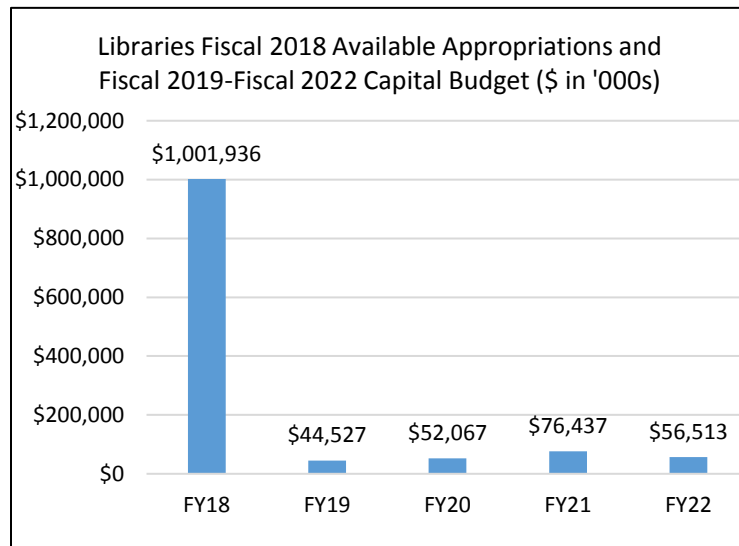
Collective Bargaining Increase. The Fiscal 2019 Executive Plan includes \$339,333 from Fiscal 2018 through Fiscal 2022 for NYPL, \$157,630 for BPL, \$314,180 for QBPL for a DC37 collective Bargaining adjustment.

Heat, Light and Power. The Fiscal 2019 Executive Plan includes an adjustment in energy costs at all the branches. The reductions include:

- A reduction of \$55,249 in Fiscal 2018 and \$54,762 in Fiscal 2019 through Fiscal 2022 at Research Library;
- A reduction of \$128,914 in Fiscal 2018 and \$127,777 in Fiscal 2019 through Fiscal 2022 at NYPL;
- An increase of \$238,759 in Fiscal 2018 and \$24,307 in Fiscal 2019 through Fiscal 2022 at BPL; and
- An increase of \$474,687 in Fiscal 2018 and \$1,826 in Fiscal 2019 through Fiscal 2022 at QBPL.

Capital Program

Fiscal 2019 Executive Capital Budget and Commitment Plan for Fiscal 2018-2022



Libraries Fiscal 2019 Executive Capital Budget includes \$229.5 million in Fiscal 2019-2022, with \$44.5 million in Fiscal 2019.¹ This represents less than one percent of the City’s total \$49.4 billion Capital Budget for 2019-2022. Available appropriations for Fiscal 2018 total \$1 billion. This includes \$745.6 million in reauthorized prior appropriations and \$265.3 million in authorized appropriations, less actual commitments of \$9 million in the current fiscal year.

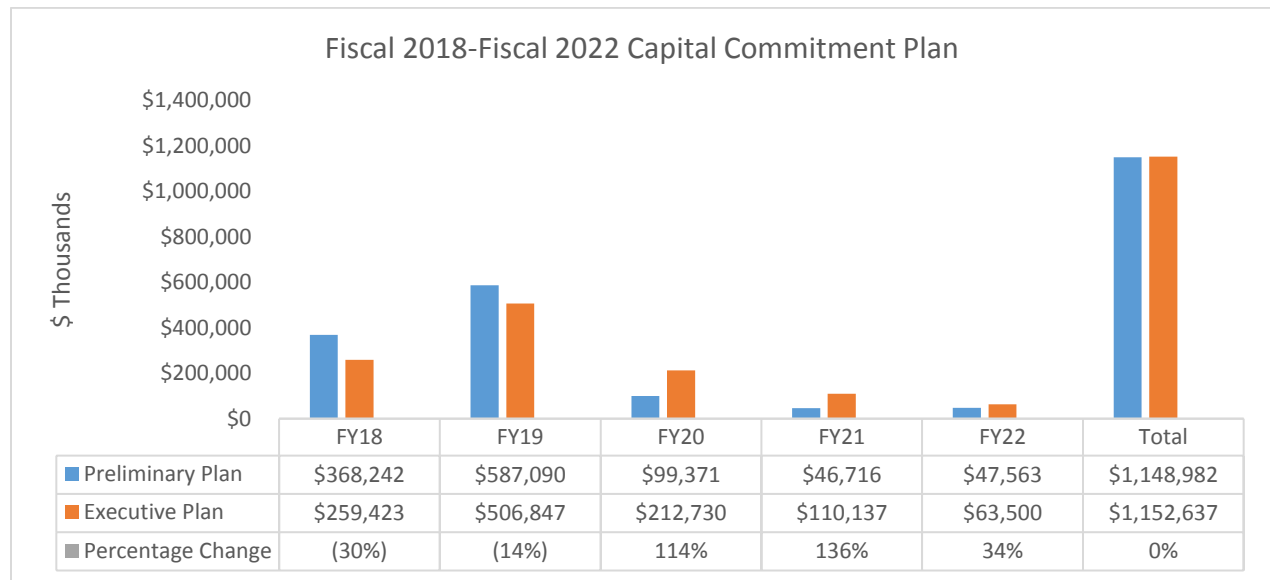
Capital Commitment Plan

Libraries’ Executive Commitment Plan includes \$1.15 billion in Fiscal 2018-2022. This represents 1.5 percent of the City’s total \$82 billion Executive Commitment Plan. Libraries’ Capital Budget is significantly less than the Capital Commitment Plan because it does not include the current appropriations for Fiscal 2018, or the amount of funding that will be reappropriated or rolled into the Fiscal 2019 Adopted Budget. Libraries’ Executive Commitment Plan for Fiscal 2018-2022 is less than one percent more than the Preliminary Commitment Plan, an increase of \$3.7 million. This commitment plan includes 31 budget lines and 895 project IDs.

The total available appropriations for Fiscal 2018 are \$1 billion against planned commitments totaling \$259.4 million. This excess balance of \$740.6 million in appropriations gives the Administration considerable flexibility within the capital plan. However, as the commitment of appropriations are legally bound to their budget line descriptions, this flexibility is more limited than it appears from this variance alone.

¹ The Capital Budget provides the required appropriations for Fiscal 2019 and planned appropriations for the subsequent three-year capital program. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption.

The majority of the capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. However, this also makes it difficult to track when projects were originally scheduled and completed. In Fiscal 2017, the Library systems committed \$18.5 million or 4.3 percent of their annual capital plan of \$433.6 million. This is a very low commitment rate in comparison to other City agencies. The majority of Library capital projects are managed by DDC, therefore the systems are not directly in control of their own commitment rates. The progress and issues surrounding capital projects is an ongoing discussion between the Council and the agencies.



Executive Capital Budget Highlights

Highlights in the Libraries’ Executive Capital Plan for Fiscal 2018-2022 are below.

New York Public Library

There is \$459.8 million (including City and non-city) in the Fiscal 2018-2022 Executive Capital Plan for the NYPL branches. Highlighted projects include work on the system’s Mid-Manhattan Library at \$150.7 million (City funds). The project scope includes the upgrade and replacement of all building systems, vertical transportation, required conveyor systems, reconfiguration of all floors to incorporate required programmatic elements, full accessibility, new finishes, flooring, lighting, wayfinding, IT/AV infrastructure and equipment, roof, building envelope and windows as needed. Other projects of note include the Westchester Square branch construction for \$17.1 million (City funds). Funding will finance construction of a new two-story branch library located on a corner site at the Westchester Square Plaza in the Bronx. The Plan includes \$11.1 million (City funds) for site selection and new branch construction of the Charleston Branch Library in Staten Island. Other major capital projects include: the 125th Street Branch renovation; the Fort Washington Branch renovation; the Hunts Point Branch renovation; the Port Richmond Branch; and the Melrose Branch renovation, at a cost of \$20 million each.

Queens Borough Public Library

There is \$345.2 million (including City and non-city) in the Fiscal 2018-2022 Executive Capital Plan for QBPL. Highlighted projects include \$25 million for renovations at the Corona Branch. Douglaston Branch improvements are budgeted at \$21.6 million. Construction work for the Far Rockaway branch facilities replacement is budgeted at \$31.5 million. Complete renovation of the Central Library is underway and a total of \$23.5 million of city funding has been allocated for this project. The Rego Park Branch has \$30 million allocated to facility replacement costs, roof replacement and technology upgrades.

Other projects include \$3.8 million of city funding for interior renovations at the Bay Terrace Branch, \$7.4 million for the expansion and renovation of the Baisley Park Branch, \$6.5 million for the renovation of the Richmond Hill Branch, \$3.4 million for various improvements at the St. Albans Branch and \$2.7 million for Hunter Point's Library for Final Fit & Equipment.

Brooklyn Public Library

There is \$310.4 million (including City and non-city) in the Fiscal 2018-2022 Executive Capital Plan for BPL. About \$114.5 million of the \$310.4 million has been dedicated to a comprehensive branch overhaul program that is currently in the planning phase for five branch libraries: (1) New Utrecht, (2) Canarsie, (3) New Lots, (4) Eastern Parkway and (5) Brownsville. The Greenpoint Library has been allocated \$14 million in the Budget for the expansion and rebuilding of that branch to include a new second story that will house an environmental center. Brooklyn Heights has been allocated \$11 million for the fit out of a brand new 26,620 SF library. The Borough Park Branch has been allocated \$10.3 million for a complete renovation. There is \$36.3 million in renovations that are planned for the Central Library and this includes: elevator repairs, emergency and safety systems update, heating, ventilation, air conditioning (HVAC) replacement, and bathroom repairs.

New York Research Libraries

There is \$37.2 million (including City and non-city funds) in the Fiscal 2018-2022 Executive Capital Plan for Research Libraries. The majority of the capital funding, \$13.5 million (City funds), is earmarked for renovations of the Schomburg Center for Research. This project is nearing full completion with all of the newly renovated areas being available for public usage. The renovations include the following:

- Complete renovation of the Landmark Building; which includes new research space, gallery space, staff space and conditioned storage for collections;
- Renovation of the Rare Books Reading Room on the second floor of the Schomburg Building;
- An exterior signage system that connects what is happening inside the Schomburg to the surrounding community;
- Construction of a two-story annex that includes a new expanded gift shop at ground level and conference room on second floor;
- Improvements to the Langston Hughes Auditorium, including a state-of-the-art sound system;
- Replacement of roofs on both the Landmark and Langston Hughes' Buildings; and
- Upgrades to building systems, including HVAC air distribution, fire alarms, and security.

Appendix 1: Fiscal 2019 Budget Actions since Fiscal 2018 Adoption

<i>Dollars in Thousands</i>	FY18			FY19		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$28,043	\$0	\$28,043	\$27,993	\$0	\$27,993
NYPL	137,698	0	137,698	137,233	0	137,233
BPL	102,412	0	102,412	102,002	0	102,002
QBPL	104,548	0	104,548	104,530	0	104,530
Libraries Budget as of the Adopted FY18 Budget	\$372,701	\$0	\$372,701	\$371,758	\$0	\$371,758
Other Adjustments						
NYPL -NYCCC FUNDING	\$0	\$249	\$249	\$0	\$0	\$0
NYPL - Member Item Reallocation	145	0	145	0	0	0
NYPL - YALP Realignment	0	621	621	0	0	0
BPL - Energy Manager	0	95	95	0	0	0
BPL - ExCEL Program	0	670	670	0	0	0
BPL - FY18 NYCCC FUNDING	0	417	417	0	0	0
BPL - Member Item Reallocation	140	0	140	0	0	0
BPL - YALP Realignment	0	398	398	0	0	0
QBPL - ExCEL Program	0	806	806	0	0	0
QBPL - NYCCC FUNDING	0	388	388	0	0	0
QBPL - Member Item Reallocation	240	0	240	0	0	0
QBPL - YALP Realignment	0	573	573	0	0	0
BPL - Energy Analyst	0	75	75	0	0	0
BPL - NYC Safety: Privacy -BPL-Temf	0	183	183	0	0	0
BPL - TEMF Funding	0	30	30	0	0	0
Research - Heat, Light and Power	(55)	0	(55)	(55)	0	(55)
NYPL - Heat, Light and Power	(129)	0	(129)	(128)	0	(128)
NYPL - Member Item Reallocation	57	0	57	0	0	0
NYPL - DC37 Collective Bargaining Adjustment	339	0	339	339	0	339
QBPL - Clean Energy Program	0	30	30	0	0	0
QBPL - Heat, Light and Power	475	0	475	2	0	2
QBPL - Member Item Reallocation	25	0	25	0	0	0
QBPL - DC37 Collective Bargaining Adjustment	314	0	314	314	0	314
QBPL - ExCEL Program	0	(380)	(380)	0	0	0
BPL - Member Item Reallocation	30	0	30	0	0	0
BPL - DC37 Collective Bargaining Adjustment	158	0	158	158	0	158
BPL - ExCEL Program	0	95	95	0	0	0
BPL - Heat, Light and Power	239	0	239	24	0	24
Subtotal, Other Adjustments	\$1,977	\$4,250	\$6,227	\$655	\$0	\$655
TOTAL, All Changes	\$1,977	\$4,250	\$6,227	\$655	\$0	\$655
Libraries Budget as of the Executive FY19 Budget	\$374,678	\$4,250	\$378,928	\$372,412	\$0	\$372,412